

DEPARTMENT OF INDUSTRIAL RELATIONS

OFFICE OF THE DIRECTOR
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San Francisco, CA 94102
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September 15, 2000

Leon Louie
Housing Authority
County of Monterey
123 Rico Street
Salinas, CA 93907

RE: Public Works Case No. 2000-025
King City Migrant Center Project
County of Monterey Housing Authority

Dear Mr. Louie:

This constitutes the determination of the Director of the Department of Industrial Relations regarding coverage of the above referenced project under California's prevailing wage laws and is made pursuant to Title 8, California Code of Regulations (CCR), section 16001(a). Based upon my review of the facts of this case and an analysis of the applicable law, it is my determination that the proposed King City Migrant Center Project ("Project") is a public work subject to the payment of State prevailing wage rates.

The Housing Authority, County of Monterey ("Housing Authority") intends to award a contract for demolition of the existing structure followed by construction of the Project, which consists of 32 housing units and a day care center. The Federal government will provide funding through the Department of Housing and Community Development, Office of Migrant Services ("OMS"), in the form of a loan and a grant from the U.S. Department of Agricultural Rural Development in the total amount of \$2,500,000. OMS will provide additional funding in the amount of \$54,700.

The funding will be provided to the Housing Authority, which will be responsible for the design services, awarding the contract, and construction management of the Project. In addition, during construction, OMS will provide some Project oversight, such as approval of payment to contractors, approval of change orders, and monitoring of the County's activities. Upon completion of the Project, OMS will retain ownership of the improvements.

Labor Code section 1720(a) defines "public works" in relevant part as: "Construction, alteration, demolition or repair work

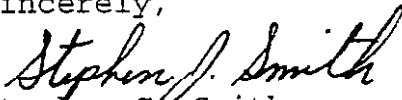
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done under contract and paid for in whole or part out of public funds." In this case, the Project consists of demolition and construction being done under contract and paid for out of public funds; therefore, it is a public work within the meaning of section 1720(a). The issue is whether federal Davis-Bacon or State prevailing wage rates would apply.

Applicable to this issue is Title 8, California Code of Regulations section 16001(b), which states: "Federally Funded or Assisted Projects. The application of state prevailing wage rates when higher is required whenever federally funded or assisted projects are controlled or carried out by California awarding bodies of any sort." Because the Project in this case is being administered by California awarding bodies, the State prevailing wage rates apply.

I hope this determination satisfactorily answers your inquiry.

Sincerely,


Stephen J. Smith
Director

cc: Daniel M. Curtin
Chief Deputy Director